



Department of Justice

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FORMER NASSAU COUNTY, NEW YORK EMPLOYEE PLEADS GUILTY IN EMBEZZLEMENT SCHEME

WASHINGTON, D.C. -- A former employee of the Nassau County Correctional Center (NCCC) in Nassau County, New York, pleaded guilty today to embezzling more than \$40,000 from his employer, the Department of Justice announced.

John Amitrano of Valley Stream, New York, pleaded guilty in U.S. District Court in Brooklyn to participating in a scheme to embezzle money from the Nassau County Correctional Center from approximately November 1996 until June 1998.

Amitrano, who was a cook supervisor at the NCCC, had authority to order food and authorize bills for payment. The Department charged that Amitrano secretly agreed with one of the NCCC's food suppliers, Nick Penachio Co. Inc., a food distribution company located in the Bronx, New York, that he would authorize phony invoices for payment. After the company received payment for food it had never delivered, it paid Amitrano one-half the value of the phony invoices in cash, or a total of about \$20,000. The company kept the other half of the proceeds of the scheme.

The case arises out of the Department's ongoing investigation of bid rigging, bribery, fraud, and tax-related offenses in the food distribution industry. Including today's filing, that investigation has resulted in charges against 32 individuals and 15 food companies for various crimes, including charges against Nick Penachio Co. Inc., Nicholas A. Penachio, one of the

company's owners, and Selwyn Lempert, a sales representative for the company, relating to the scheme with Amitrano as well as rigging bids to supply food to the NCCC and other public agencies in the metropolitan area.

"This case demonstrates the Antitrust Division's continuing commitment to the detection and punishment of schemes that defraud public agencies," said Charles A. James, Assistant Attorney General in charge of the Department's Antitrust Division.

John Amitrano is charged with violating Section 666 of Title 18, which carries a maximum penalty of 10 years imprisonment and a \$250,000 fine. The court will determine the appropriate sentence under the U.S. Sentencing Guidelines. In addition, Amitrano could be ordered to pay restitution to the victim for the full amount of the victim's loss.

The ongoing investigation is being conducted by the Antitrust Division's New York Field Office, the Federal Bureau of Investigation, and the Internal Revenue Service Criminal Investigation. The Antitrust Division acknowledges the assistance of the United States Attorney for the Eastern District of New York and the Nassau County District Attorney in the prosecution of Amitrano.

Anyone with information concerning bid rigging, bribery, tax offenses, or fraud in the food distribution industry should contact the New York Field Office of the Antitrust Division at (212) 264-0679 or the New York Division of the FBI at (212) 384-3252.

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